(b) the amount of investment proposed to be made to implement the plan drawn up for that period; and

(c) the sources through which the fund is expected to be mobilised to achieve that target?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD): (a) to (c) The Department & Tourism has prepared a working paper for receiving 5 million tourists by 1996-97. The target was later set for the end of the current century. According to the national estimates contained in the paper, the investment required for achieving the target is Rs. 39100 crores which is to be shared between the Cental and State Governments, Public Sector Undertakings and the private sector.

Plan to Construct 2-Star Hotels

4318. SHRI V. HANUMANTHA RAO Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state:

(a) how may 2-Star hotels are planned by ITDC in 1995-96 and 1996-97 around the country;

(b) whether Government is aware of the demand for modestly priced hotel accommodation;

(c) if so, what steps are proposed in this regard;

(d) whether any financial assistance has been extended for construction of 2-Star hotels in the country; and

(e) if so, the details thereof?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD): (a) The Annual Plan 1995-96 of ITDC does not envisage any specific plan scheme/outlay for the construction of new hotels including 2-Star Hotels in the country. The plan proposals for the year 1996-97 have not been formulated.

(b) to (e) Yes, Sir. To encourage the growth of such hotels, Government is giving interest subsidy @ 3 per cent to 5 per cent on the loans granted by Tourism Finance Corporation of India, Industrial Finance Corporation of India and State Financial Corporations. However, this subsidy is not applicable to hotels located in the four metropolitan cities i.e. Delhi, Bombay, Calcutta and Madras.

Effect of Economic Reforms on Rural People

4319. SHRI KRISHAN LAL SHARMA Will the Minister of FINANCE be pleased to state:

(a) whether the reform process started in the year 1991 has had any effect on the rural India where about 85 percent of the people of the country live;

(b) if so, the nature of beneficial effects on their economic well-being; and

(c) how far these reforms have benefited them in regard to availability of water and electricity?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) to (c) The Govenment has accorded the highest priority to promoting sustainable, employment intensive growth in its economic reform policies. The overall economic growth in terms of GDP at constant factor cost has improved from 0.9 per cent in 1991-92 to 4.3 per cent in each of the years 1992-93 and 1993-94 and is expected to be 5.3 per cent in 1994-95. This acceleration of growth supported by a robust agricultural performance is expected to improve the economic condition of rural population in the country.

Average real agricultural wages, which reflect the economic condition of agricultural labourers, declined by 5 per cent in the crisis year of 1991-92 (agricultural year—July to June) for the country as a whole. But what is extremely significant is that in the recovery years of 1992-93 and 1993-94 they increased by 5.6 per cent and 3.6 per cent respectively, more than compensating for the drop in 1991-92.